

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1921 – SB 2105

March 28, 2016

SUMMARY OF ORIGINAL BILL: Clarifies that during the redemption period of property purchased at a tax lien sale when such property is required to be held by the purchaser as codified in Tenn. Code Ann. §§ 67-5-2701-2702, the purchaser of the property has no obligation to purchase property insurance for the parcel, and is not liable to a person who redeems the parcel for damages inflicted upon the parcel during the redemption period, unless the damages are directly caused by intentional acts of the purchaser.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014967): Deletes all language of the original bill. Clarifies that a person receiving title to a parcel sold at a tax sale pursuant to Tenn. Code Ann. § 67-5-2502 is vested with an absolute and indefeasible title in fee to the parcel, unless a judicial action challenging the parcel is filed in an appropriate court and effectually prosecuted against the person within three years of the recording of the tax deed or an order confirms the sell. A person claiming title of a parcel conveyed pursuant to a tax proceeding after the three-year period shall be forever barred from challenging the title of the parcel.

Makes multiple other changes to processes governing parcels offered at county property tax sales for parcels on which delinquent property taxes are owed.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact - To the extent parcels of property are offered at county property tax sales for which delinquent property taxes are owed, the provisions of this legislation may impact the amount of funding collected from such sales. Due to the extent and number of unknown variables, the impact resulting from each sale cannot be reasonably quantified.

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Assumption for the bill as amended:

- Amending various sections of Tennessee Code Annotated related to the provisions of parcels offered at county property tax sales for parcels on which delinquent property taxes are owed may lead to increases or decreases in local revenue from such sales. The determination of any increase or decrease and the extent of any increase or decrease is dependent on the terms of each parcel offered for sale and cannot be reasonably quantified.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:


Unchanged from the original fiscal note.

Assumption for the bill as amended:

- The provisions of the bill as amended will have no impact on commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/amj